



NOVEMBER 2022

# ASEAN Region Overview

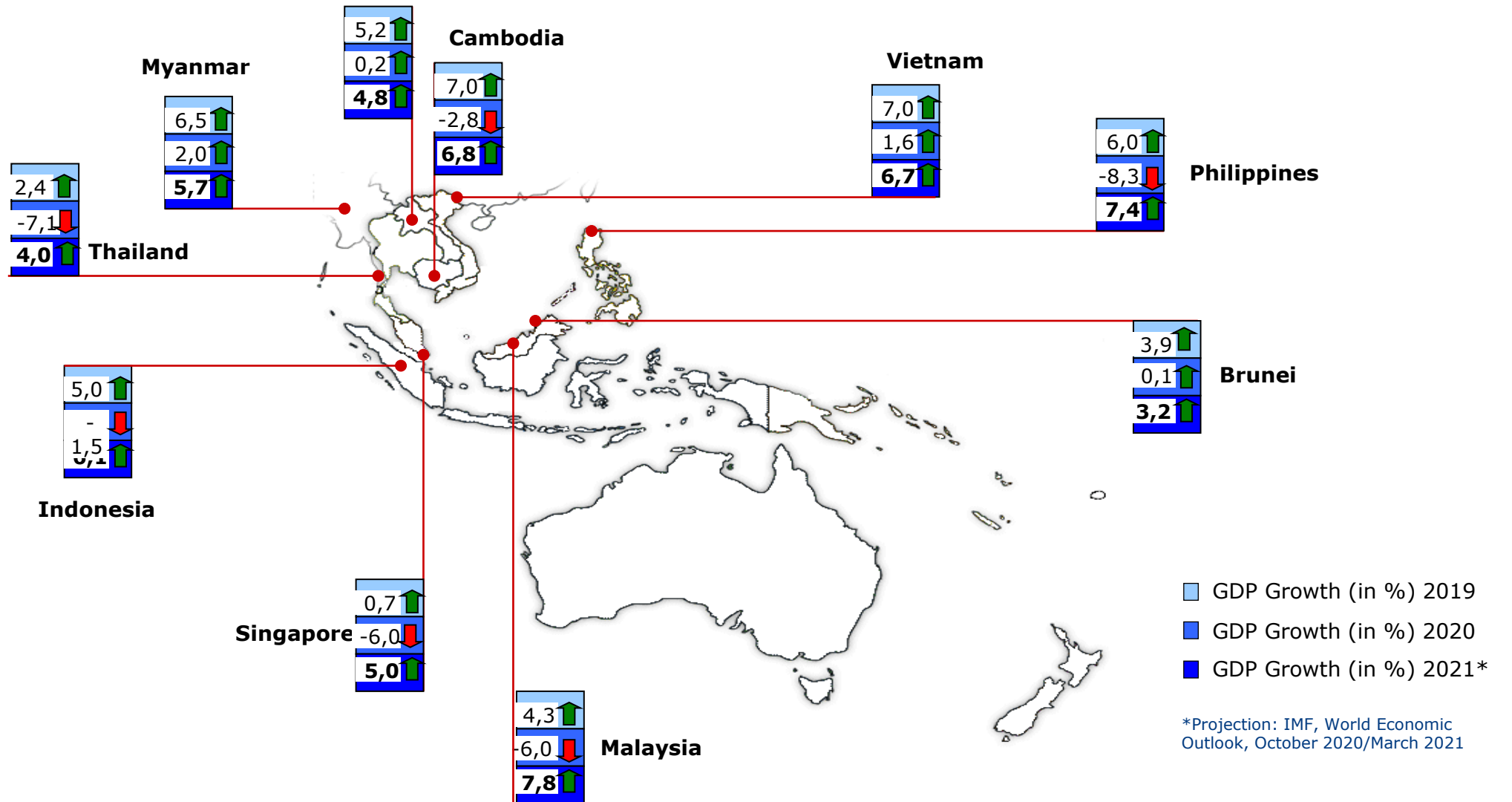


-  Strategize
-  Expand
-  Set up
-  Invest

**Reveal your  
international  
potential**

# ASEAN Market

## GDP GROWTH



# ASEAN Market

## COUNTRIES' CAPABILITIES, STRENGTHS AND WEAKNESSES



**EODB Ranking: 2**  
**Strengths:** well connected (important port in the centre of Southeast Asia), skilled labour  
**Weaknesses:** expensive, highly competitive, rising competition elsewhere



**EODB Ranking: 21**  
**Strengths:** richly endowed in agricultural resources, long coastlines, diversified exports  
**Weaknesses:** inadequate infrastructure, shortage of skilled labor, high corruption perception



**EODB Ranking: 70**  
**Strengths:** strong supply chain, lots of industrial experience, lower costs  
**Weaknesses:** infrastructure for logistics is still developing, approvals and permits are not granted quickly



**EODB Ranking: 12**  
**Strengths:** diverse manufacturing opportunities, cost effective access to Asian markets  
**Weaknesses:** political corruption, volatile export market



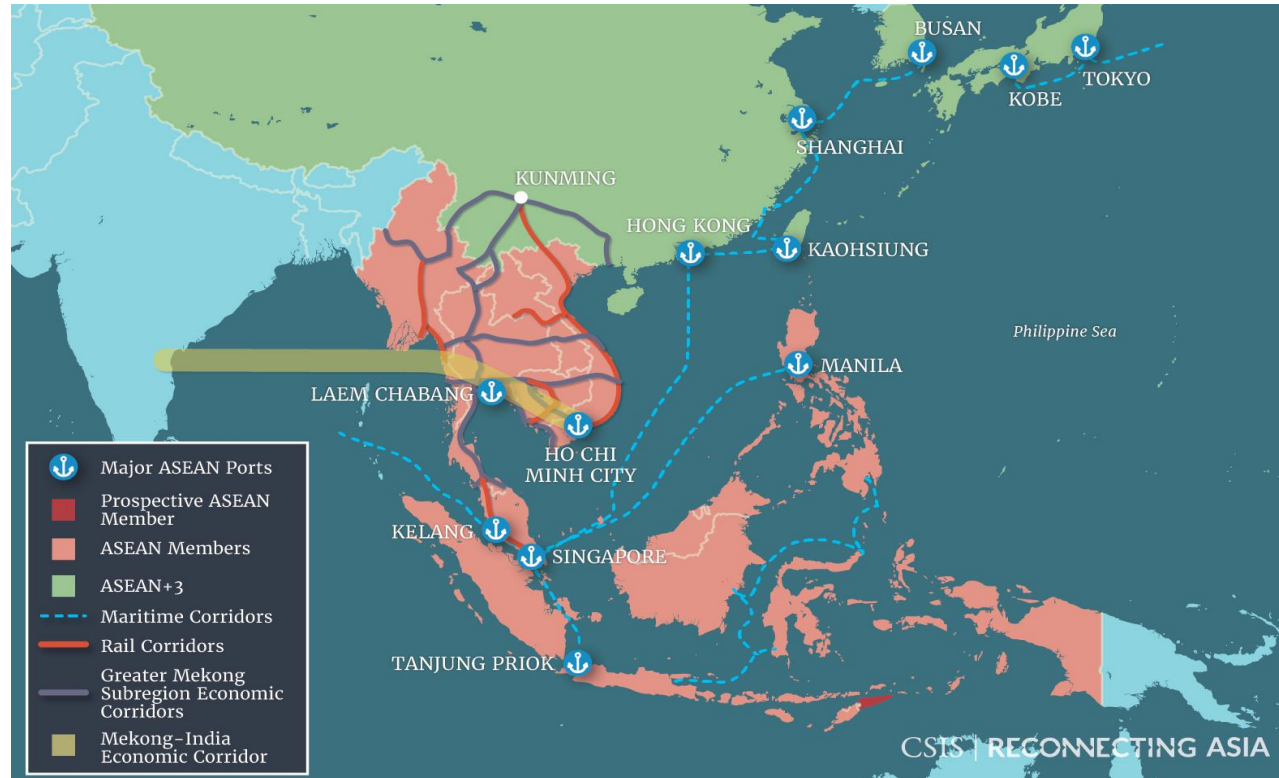
**EODB Ranking: 73**  
**Strengths:** diverse natural resources, low labour costs, huge internal market  
**Weaknesses:** large infrastructure gap, market fragmentation, exposure to shifts in Chinese demand, corruption



**EODB Ranking: 95**  
**Strengths:** strong consumer confidence, investment-friendly, gov. support  
**Weaknesses:** low level of development, monopolies in strategic industries, labor rigidities

# Singapore's connectivity to ASEAN

GATEWAY TO ASEAN – 661+ MILLION INHABITANTS



- **2<sup>nd</sup> most globally connected country** and is strategically located towards the **middle of ASEAN.**
- Excellent global transport network, and strong trade links with the world has contributed to the country being dubbed the **"gateway to ASEAN."**

# Singapore's Connectivity To APAC

GATEWAY TO APAC



Singapore is also **well connected to APAC.**

- **2 hours** away from **Ho Chi Minh City, Jakarta, Bangkok**
- **6 hours** away from **Seoul** and **Beijing**
- **7 hours** away from **Tokyo** and **Sydney**

**01**

# Manufacturing in ASEAN



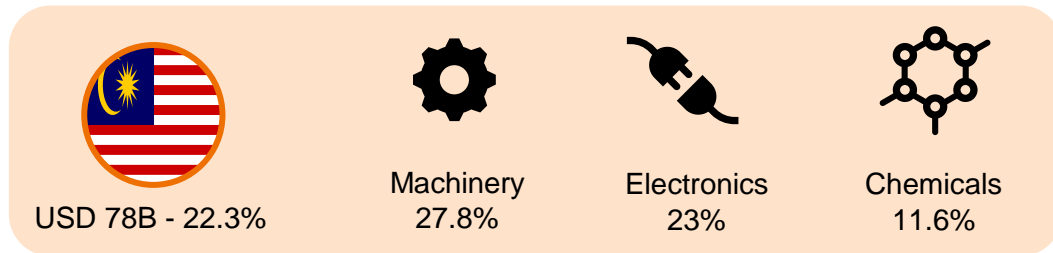
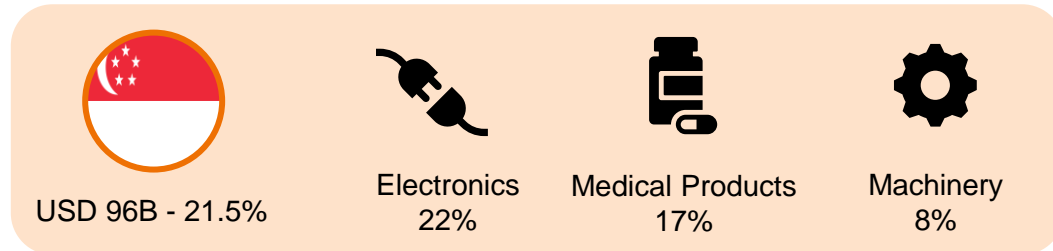
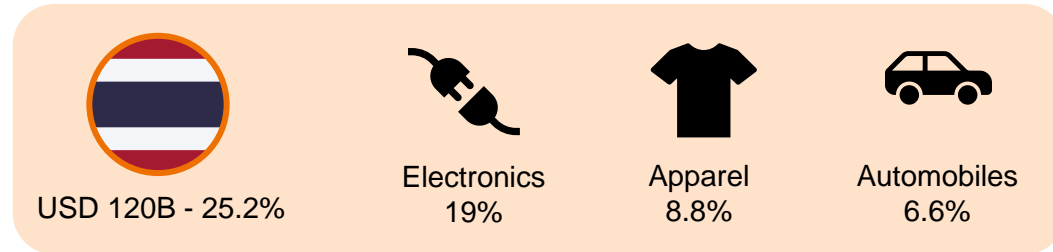
# ASEAN Manufacturing

## KEY FIGURES

### Today's Leading Manufacturers in ASEAN and Key Industries

Manufacturing  
as % of GDP

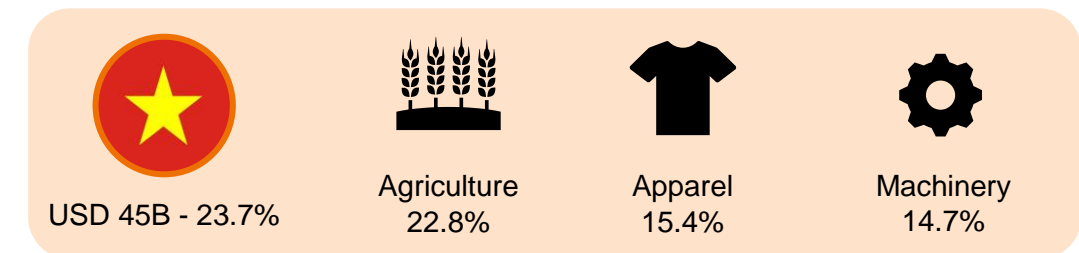
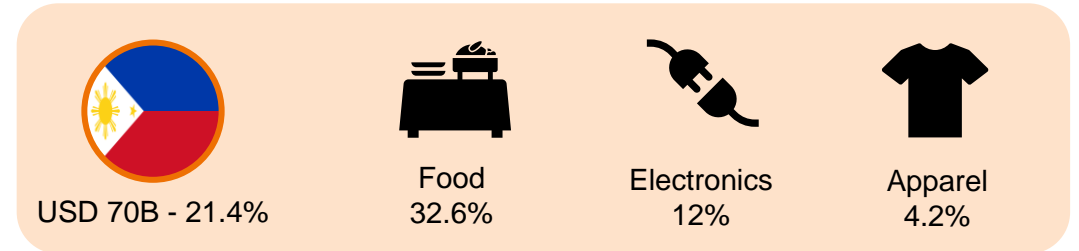
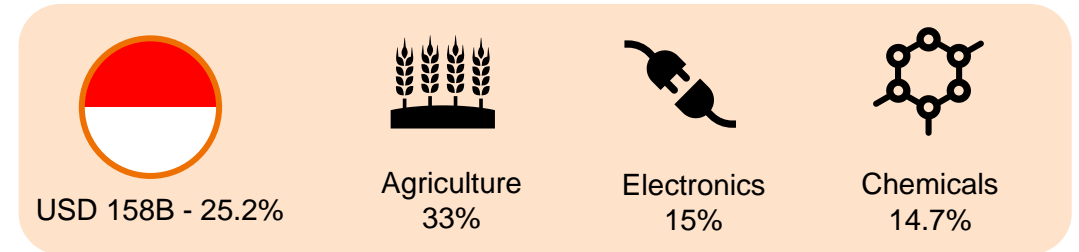
Segment as % of Manufacturing GDP



### Emerging Nations and Key Industries

Manufacturing  
as % of GDP

Segment as % of Manufacturing GDP



# ASEAN Manufacturing

## ATTRACTIVENESS

### RCEP



**The Regional Comprehensive Economic Partnership (RCEP)** is expected to significantly accelerate the flow of finished goods, inputs, and investment between SEA and trade partners. This will create greater access to Asia's biggest and most developed markets, lower the costs of importing manufacturing inputs, and make it easier for companies to build supply chains that leverage different advantages and skills across the region.

### Industry 4.0



**Next-generation Industry 4.0 technologies** and mounting pressures on companies to lower their greenhouse gas emissions, meanwhile, are creating new opportunities by changing the game.

### Supply Chains Resilience



As companies seek to make their supply chains more resilient against disruption, those in sectors ranging from medical technology to consumer electronics are looking to **diversify their manufacturing footprints** away from single sources and to produce goods closer to end markets—a focus that has intensified during the COVID-19 crisis.



# ASEAN Manufacturing

## A BRIGHT FUTURE

If ASEAN can take full advantage of these trends, we estimate that by 2030....



\$600 billion a year in additional manufacturing output



Increase annual foreign-direct investment in manufacturing by up to \$22 billion



create up to 140,000 new jobs a year

However, building manufacturing ecosystems that are capable of realizing this potential will require....



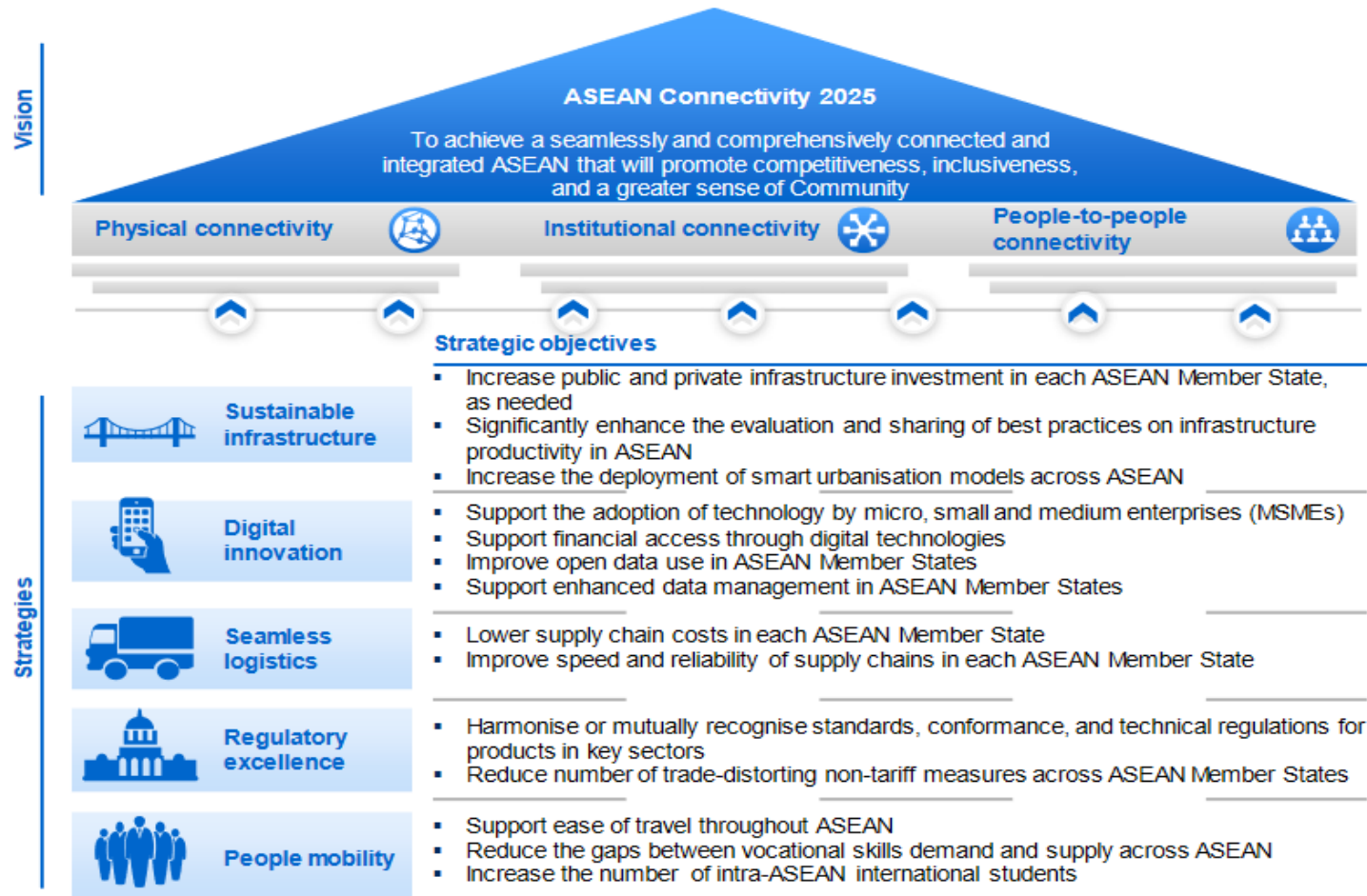
Governments to follow through on commitments they have made to harmonize regulations



Greater investments in infrastructure and skills training

# ASEAN Manufacturing

## ASEAN CONNECTIVITY MASTER PLAN



02


# Renewable Energy in ASEAN



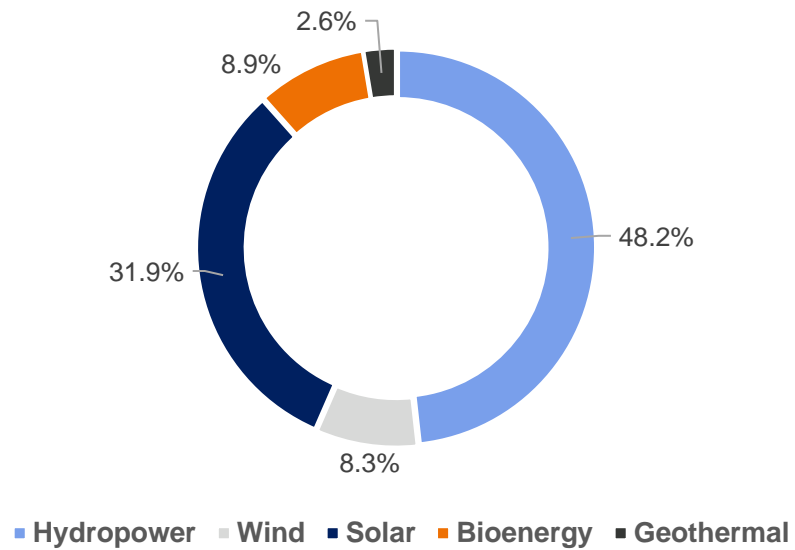
# Market Overview

 **15% average annual growth rate** between 2016-2021 in RE

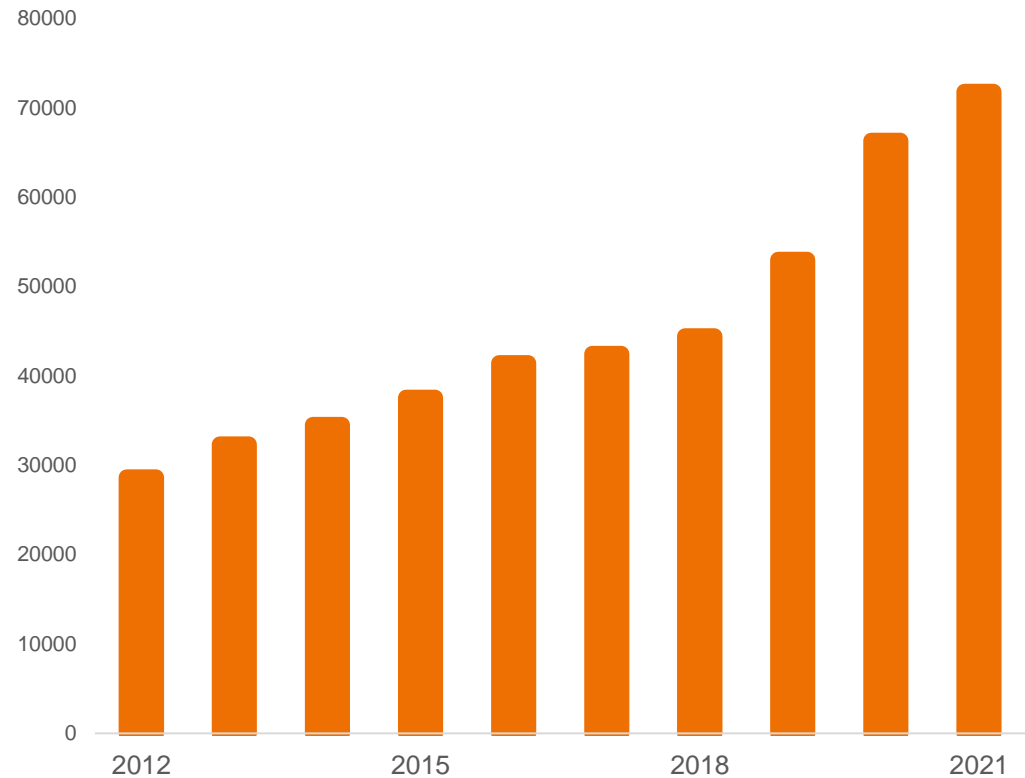
 **680 million** regionwide inhabitants

 **AFTA** – one unique market

**Renewable energy installed capacity by source (2021)**

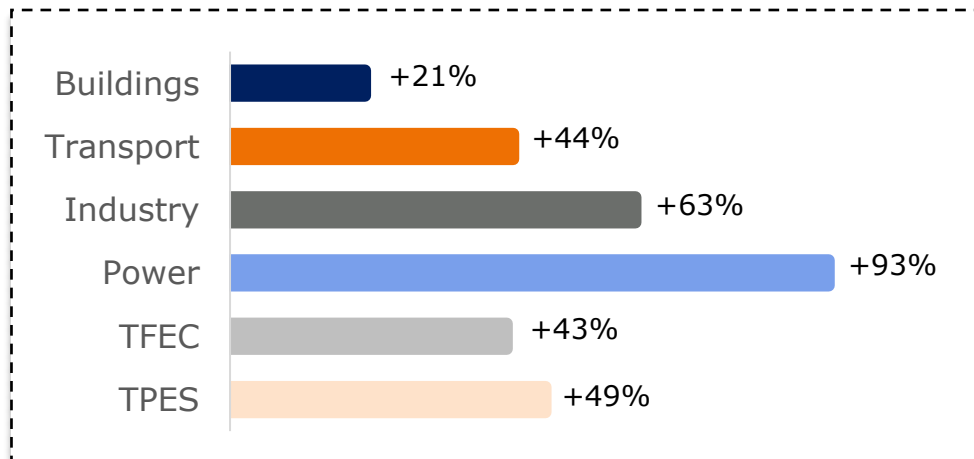
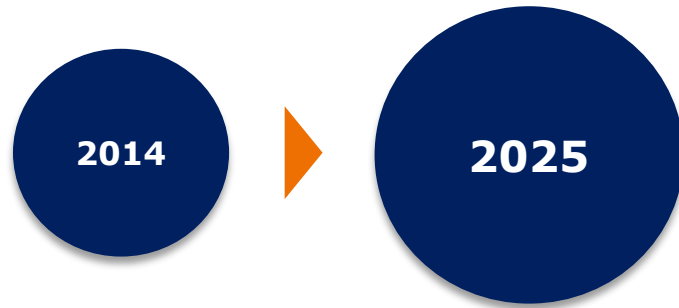


**Renewable energy installed capacity 2012-2021 (MW)**  
Vietnam, Thailand, Malaysia, Singapore, The Philippines



# Key market drivers

## Increase in energy demand



## Energy security

- Self-sufficiency is expected to **decline** with indigenous fossil fuel and coal reserves depleting.
- **Reliance on imports** continues to grow as domestic demand increases.
- Natural gas production is **plateauing**.



## Health & environmental concerns

- Outdoor pollution is a growing, notably caused by the **power** and **industry sectors**.
- Indoor pollution with **traditional bioenergy** is hazardous to human health.



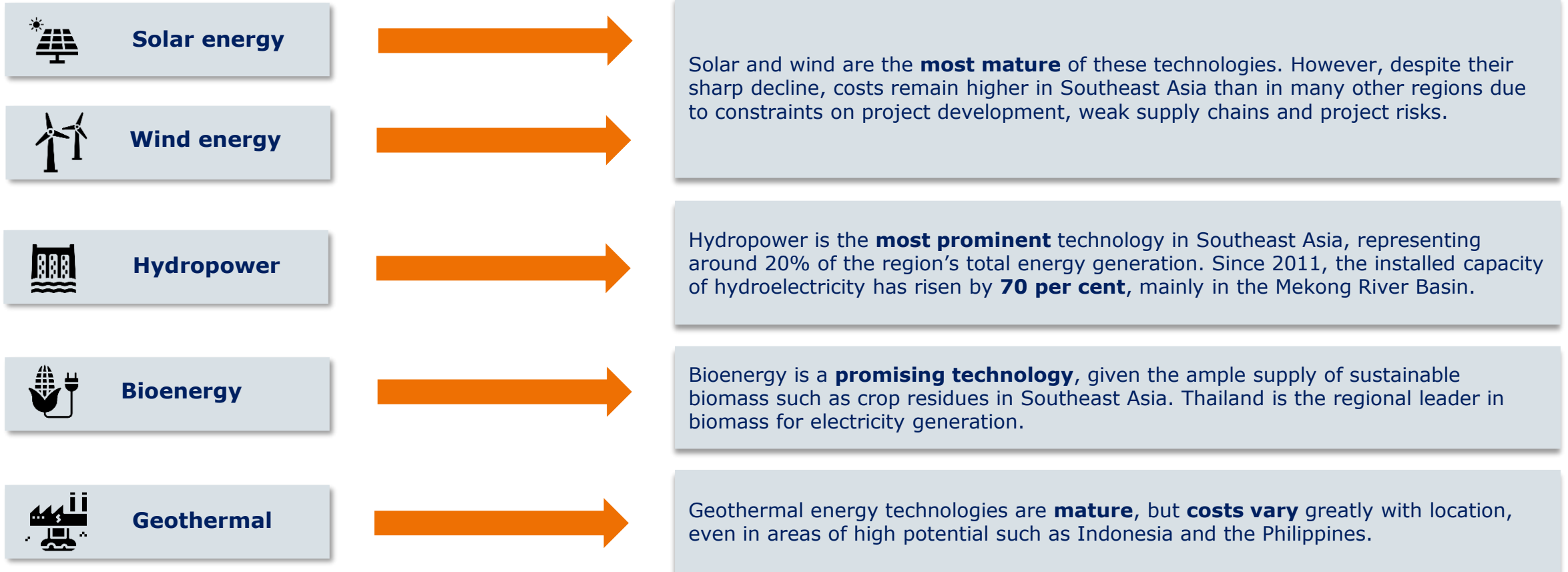
## Limited energy access

Over the last decade, significant effort has been achieved in the region to provide access to modern energy services. Despite this, about **45 million people still lack access to electricity**, and 250 million people rely on traditional bioenergy sources.



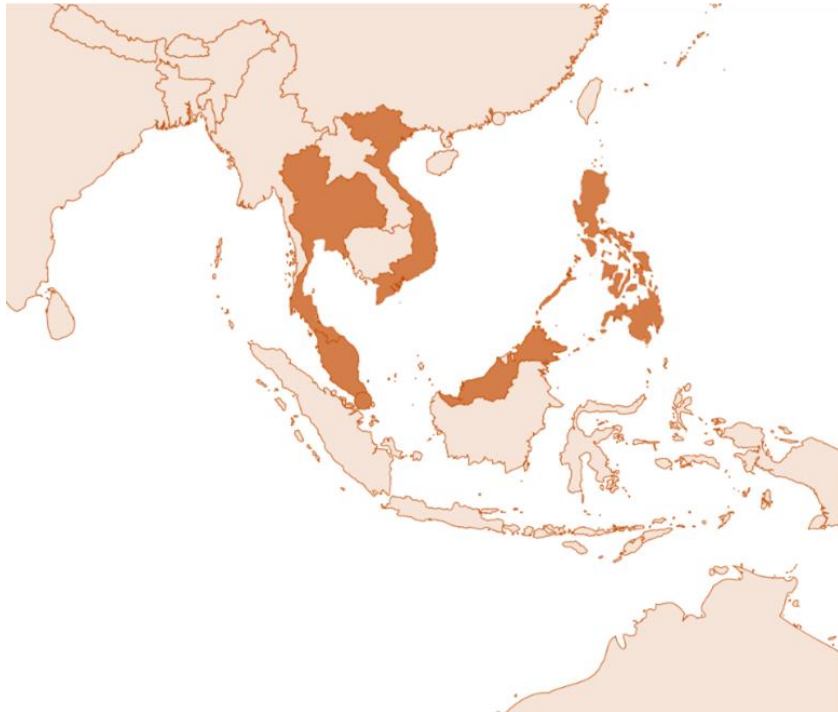
# Major Renewable Energies

## OVERVIEW



# Renewable Energy in ASEAN

## OVERVIEW



With the **ASEAN Plan of Action for Energy Cooperation (APAEC) Phase II (2021-2025)**, the region is committed to achieving Renewable Energy targets by **2025**:

- 23% in Total Primary Energy Supply (TPES)
- 35% share in installed power

### Key strategies



**Create an ASEAN power grid:** To expand regional multilateral electricity trading, strengthen grid resilience and modernisation, and promote clean and renewable energy integration.



**Promote energy efficiency and conservation:** To reduce energy intensity by 32% in 2025 based on 2005 levels and encourage further energy efficiency and conservation efforts, especially in transport and industry sectors.



**Policy:** To advance energy policy and planning to accelerate the region's energy transition and resilience.

# Market entry recommendations



## Studying the market

Performing a market analysis to assessing a **market's potential** for a specific company, analysing the competitive landscape, the competitors' positioning, its total addressable market, potential partners and clients, and how to reach them is quintessential prior to entering the market.



## Leveraging on public support

Take advantage of public support schemes to innovative companies such as:

- Tax deductions
- Tax holidays
- Feed in Tariffs
- Financing schemes / green loans



## Building local relationships

Having a local partner can be detrimental to the project's success because they possess the right contacts, networks and have deep knowledge on local processes.

Beyond local partnerships, being part of **trade associations** that have a strong foothold in the industry will provide an advocacy platform.



## Setting up

Governments look favorably on foreign companies that have a long-term presence in the local market—through a **local office** or a **local agent** can influence a project's outcome.

You could also enter the market through a **joint venture** or through a **partnership with a local company**.



# 03

## AgriTech Landscape in ASEAN



# Singapore's AgriTech Industry

## OVERVIEW

- Despite capturing over **20% of global agri-commodity trade flows**, Singapore faces the looming vulnerability of its food security and lack of self sufficiency in its food supply. **Less than 10%** of Singapore's current food supply is produced locally, which prompted the Singapore Food Agency to commit to **raising this number to 30% by 2030**
- Collaboration to accelerate the progress of Agri-Tech startups has seen a **significant boom** since Singapore's 30 by 30 announcement, as you will see in the initiatives that ESG, Temasek, and EDB are leading
- The government has also invested **\$105m**, through the Research Innovation Enterprise 2020 Plan, to ramp up R&D in the agri-tech industry

### Agri-tech in Singapore's farms



#### IoT Data Analytics

allow farms to control environmental conditions such as light and irrigation to track temperature, humidity, and the growth of crops



#### Automated systems

such as auto-feeders, automated pump systems and shed-cleaning bots reduce the need for manual labour



#### Hydroponics systems

eliminate the need for pesticides and fertilisers, while optimising the nutritional value of harvested plants

# ASEAN AgriTech Landscape Map

## INFOGRAPHIC



# Recommendations

## TOP THREE SECTORS OF INTEREST FOR FRANCE AND SINGAPORE



### Novel Food

- In the EU, any food that was not consumed to a significant degree **before May 1997** is defined as a novel food
- This category covers novel foods such as chia seeds but also new sources of food components such as oil rich in omega-3 fatty acids obtained from krill
- There are also new substances called “novel ingredients” used to fortify certain foods with nutrients, such as phytosterols (plant sterols)
- Novel foods also include foods produced using **new methods such as nanotechnology**

### Urban Agriculture

- Urban agriculture, urban farming, or urban gardening is the practice of **cultivating, processing, and distributing food in or around urban areas**
- The **technical, economic, and environmental procedures** to be implemented in urban agriculture need to be tested, analysed, and quantified in order to be improved and shared
- Singapore and France can **collaborate** on this research process



### Aqua Culture

- Aquaculture is the **farming of aquatic organisms** in controlled conditions (similar to agriculture)
- Both France and Singapore have developed **know-how** in the industry with the support of their respective research institutes
- Existing investments and exchanges, such as the Singapore-based aquaculture company Pure Salmon building EU’s largest Recirculating Aquaculture Systems (RAS) Salmon farm in France, demonstrate the **potential for collaboration between France and Singapore**